

City of Cincinnati



Date: July 11, 2003

FOR YOUR INFORMATION

To: Mayor and Members of City Council

From: Valerie A. Lemmie, City Manager

Copies to: David J. Krings, County Administrator

Subject: **CONVENTION CENTER EXPANSION: PROGRESS REPORT #7**

This bimonthly report is the latest progress report on the Convention Center expansion and renovation. This report is forwarded to Mr. Krings in order to keep the County informed of the project's progress. In addition, members of the Convention Facilities Authority also receive the report along with other interested stakeholders.

1. Convention Facility Authority

- A. The CFA's second business meeting occurred on June 6, 2003. The CFA was briefed on the project status and project financing. Two resolutions were passed and a motion to purchase Director and Officer insurance for the CFA insurance was approved. The first resolution stated the CFA's intent to issue bonds, and the second resolution added dates for the semiannual meetings to the By-Laws.
- B. The CFA's next meeting will occur in August to provide an update on the financing plan actions the CFA will need to take to issue the bonds this fall.

2. Project Financing Plan Status

- A. Quarterly, the City will attach a Project Financing Plan Status report to update the project's revenues and expenditures. The next status report in September will include second quarter results. The second quarter results are anticipated to be lower than initially projected because of the impact of the war on travel. Lower tax revenues could affect the structure of the debt issuance. There are a number of structuring techniques available to the CFA to address this issue.
- B. City staff is working with bond counsel, underwriters council and the financial advisor to implement the steps needed for the CFA to issue the senior and subordinate bonds. The issuance is tentatively scheduled for October/November.

3. Project Management

- A. The final Design Development of the project is completed and was presented to City Council, Hamilton County Commissioners and the Convention Facilities Authority Board members on July 8, 2003. It was also presented to the City's Urban Design Review Board on July 8, 2003. Copies of the presentation will be made available on the City's website: <http://www.cincinnati-oh.gov/pages/-1680-/>.
- B. City staff are nearing a agreement with Cinergy for a chilled water substation within the Convention Center. The Administration may submit an ordinance authorizing the City Manager to enter into such an agreement by the September meeting of City Council.
- C. At the completion of the design development phase, the project is on time and within budget.

4. Corporate Contributions

The project will be receiving the corporate contribution funds over the five-year life of the design/construction period (2002-2006). Companies are now paying their second installments. At this time, cash contributions of \$2.08 million have been received from 13 companies. The total corporate contribution will be \$10 million.

5. Public Information

Information on the completed Design Development is being distributed to all project stakeholders and GCCVB customers. As noted above this information will also be located on the City's website.

6. WCPO Relocation

The construction of the new WCPO facility is on schedule.

7. Commitment from the State

The local stakeholders are developing a strategy to obtain State Capital Improvement Funds in the 2004 State Capital Budget.

8. Equity Fund Loan

The CFA has approved the Equity Fund letter of intent at their organizational meeting on February 28, 2003. A formal agreement now needs to be entered into between the Cincinnati Equity Fund and the Convention Facilities Authority.

9. Naming Rights

The City has retained legal counsel, Bricker & Eckler LLP, to assist with the Cinergy naming rights contract development. The Administration will be bringing an ordinance forward authorizing the City Manager to enter into such an agreement when the terms have been finalized. Discussions have focused on energy related questions.

10. SBE Commitment

- A. SBE outreach meetings are being held with prospective trade contractors on June 26 and July 9, 2003.
- B. The project team has continued to track SBE participation. Out of the 45 vendors working on the project, 22 are SBEs. The percentage participation of the Program Manager, Construction Manager and the Architect/Engineer contracts are 25.9%, 22.5% and 3.3% respectively. The Architect/Engineer participation is relatively low primarily because 81% of the invoiced expenses through May 31st are from the architects and engineers designing the project based outside of Cincinnati and Hamilton County. The SBE percentages will increase now that the project enters into the construction document phase and the following construction phase when local participation is maximized.

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